



COUNTY OF SAN DIEGO

Credit Overview

April 2011





INTRODUCTIONS

- County Presenters:
 - Don Steuer, Chief Financial Officer / Deputy Chief Administrative Officer
 - Ernie Dronenburg, Assessor / Recorder / County Clerk
 - Dan McAllister, Treasurer-Tax Collector
- Additional County Resources:
 - Tracy Sandoval, Auditor & Controller / Assistant Chief Financial Officer
 - Ebony Shelton, Director, Office of Financial Planning
 - Brian Hagerty, Group Finance Director
 - Joan Pan, Debt Finance Manager
 - Diana Lackey, Chief Deputy Assessor
 - Lisa Marie Harris, Chief Deputy Treasurer
 - Rob Castetter, Chief Investment Officer
 - Grace Chang, Investment Officer
- Finance Team:
 - Gardner, Underwood & Bacon LLC, Financial Advisor
 - Citi, Senior Manager
 - Stone & Youngberg, Co-Manager



OVERVIEW

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EXECUTIVE SUMMARY

- Real estate market:
 - Residential real estate market is stabilizing
 - Commercial real estate market exposure
- Economic highlights:
 - Local economy continues gradual improvement
- Financial strength and stability:
 - Continued proactive management of cost structure
 - Maintenance of strong fund balances and stable reserve balances
- State budget impact:
 - Continuous monitoring and review of State budget proposals
 - Board of Supervisors has continued practice of not backfilling State revenues
- Pension system:
 - Updated demographic and economic assumptions and valuation report



REAL ESTATE MARKET UPDATE





REVIEW & UPDATE OF THE REAL ESTATE MARKET

- In spring 2010, County processed 196,595 Prop. 8 reductions totaling \$8 billion of reduced A.V.
 - In spring of 2009, processed 216,456 Prop. 8 reductions totaling \$22.55 billion
- Total number of appeals filed are declining:⁽¹⁾
 - 15,195 appeals filed to date, on 2010 lien date
 - 21,770 appeals were filed on 2009 lien date (19,302 or 88.7% completed)
 - 42,624 appeals were filed on 2008 lien date (202 still active)
- Average residential change in ownership reassessment is increasing:
 - Calendar year 2010, YTD, reassessments are averaging +\$63,000 in A.V.
 - 2009 reassessments averaged +\$33,300 in increased A.V. per event
 - 2008 reassessments averaged +\$16,000 in increased A.V. per event
- 2010 new construction activity decreased slightly by 1.6%:
 - In calendar year 2009, new residential and commercial construction activity decreased 48%

⁽¹⁾ Total appeals includes all appeals in realty, business personal property, and change in ownership
Source: County of San Diego Assessor / Recorder / County Clerk



ASSESSMENT REVIEW STATISTICS

Proposition 8 Assessment Reviews

	2008	2009	2010	2011*
New Applications Received	40,000	32,000	10,000	5,000
Prop. 8 Rollovers (from previous year)	0	79,000	180,000	184,000
Open Appeals Proactively Reviewed	13,000	33,000	15,000	11,000
Proactive Reviews for 2010	28,000	72,000	6,000	TBD
Total Assessment Reviews	81,000	216,000	211,000	200,000

* Projected

Total Taxable Parcels in the County	978,629
Estimated % of Total Parcels to be Reviewed	20%
Estimated % of Residential Parcels to be Reviewed	27%



PROGRESS ON ASSESSMENT APPEALS

- The number of 2010 lien date filings (14,630 as of 2/28/11) is down 30% from 2009
- Lien Year 2009 filings were down nearly 50% from the prior year, with 20,816 cases filed
- Nearly all the 2008 cases have been resolved

2010 Real Property Appeal Cases

Appeal Counts			A.V. Reduction (Requested vs. Actual)			
Received	Review Completed	% Completed	Average % Reduction Requested	Total A.V. Reduction Requested	Actual Average % Reduction	Actual A.V. Reduction
14,630	1,238	8.5%	42.2%	\$20.8 billion	N.A.	N.A.

2009 Real Property Appeal Cases

Appeal Counts			A.V. Reduction (Requested vs. Actual)			
Received	Review Completed	% Completed	Average % Reduction Requested	Total A.V. Reduction Requested	Actual Average % Reduction	Actual A.V. Reduction
20,816	18,419	88.5%	34.3%	\$19.4 billion	12.3%	\$5.0 billion

2008 Real Property Appeal Cases

Appeal Counts			A.V. Reduction (Requested vs. Actual)			
Received	Review Completed	% Completed	Average % Reduction Requested	Total A.V. Reduction Requested	Actual Average % Reduction	Actual A.V. Reduction
41,906	41,848	99.9%	33.2%	\$19.3 billion	10.9%	\$6.2 billion



SHIFT IN APPEALS, TO COMMERCIAL

2010 Real Property Appeal Cases Appeal Counts				A.V. Reduction (Requested vs. Actual)			
Type	Received	Review Completed	% Completed	Average % Reduction Requested	Total A.V. Reduction Requested	Actual Average % Reduction	Actual A.V. Reduction
Residential	9,703	863	8.9%	34.5%	\$ 3.2 billion	NA	NA
Commercial	4,927	375	7.6%	44.1%	\$ 17.6 billion	NA	NA
Overall	14,630	1,238	8.5%	42.2%	\$20.8 billion		

2009 Real Property Appeal Cases Appeal Counts				A.V. Reduction (Requested vs. Actual)			
Type	Received	Review Completed	% Completed	Average % Reduction Requested	Total A.V. Reduction Requested	Actual Average % Reduction	Actual A.V. Reduction
Residential	16,395	15,161	92.5%	24.3%	\$3.2 billion	11.4%	\$1.2 billion
Commercial	4,421	3,258	73.7%	37.3%	\$16.2 billion	12.6%	\$3.8 billion
Overall	20,816	18,419	88.5%	34.3%	\$19.4 billion	12.3%	\$5.0 billion

2008 Real Property Appeal Cases Appeal Counts				A.V. Reduction (Requested vs. Actual)			
Type	Received	Review Completed	% Completed	Average % Reduction Requested	Total A.V. Reduction Requested	Actual Average % Reduction	Actual A.V. Reduction
Residential	39,248	39,223	99.9%	29.9%	\$8.2 billion	14.2%	\$3.8 billion
Commercial	2,658	2,625	98.8%	36.1%	\$11.1 billion	8.0%	\$2.4 billion
Overall	41,906	41,848	99.9%	33.2%	\$19.3 billion	10.9%	\$6.2 billion

Source: County of San Diego Assessor / Recorder / County Clerk



RESIDENTIAL & COMMERCIAL ACTIVITY

History of A.V. growth due to change in ownership or new construction reassessments:

- \$4.5 billion for 2010-11
- \$6.9 billion for 2009-10
- \$20.2 billion for 2008-09

Real Estate Parcel Activity		- Calendar Year -					
		2005	2006	2007	2008	2009	2010*
Change in Ownership	Residential	93,529	71,705	60,312	60,876	56,757	50,200
	Commercial	3,015	2,828	2,994	1,760	1,300	1,900
New Construction	Residential	38,302	30,468	24,384	15,419	8,055	8,000
	Commercial	1,602	1,912	2,335	1,501	787	700

* 2010 Projected Numbers

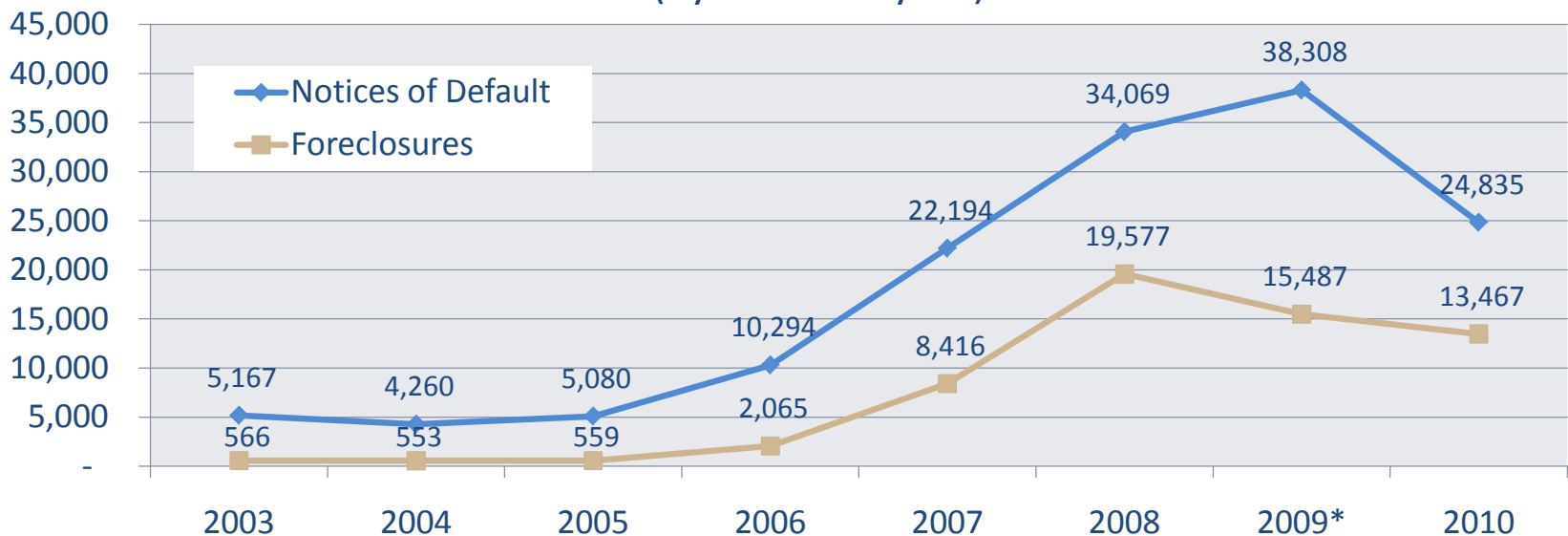


HISTORICAL NOTICES OF DEFAULT & FORECLOSURES

Notices of Default (NODs) and Foreclosures:

- 2009 to 2010: Foreclosures decreased 13%; Notices of Default decreased 35%
- 2008 to 2009: Foreclosures decreased 21%; Notices of Default increased 12%

Historical NODs and Foreclosures
(by calendar year)



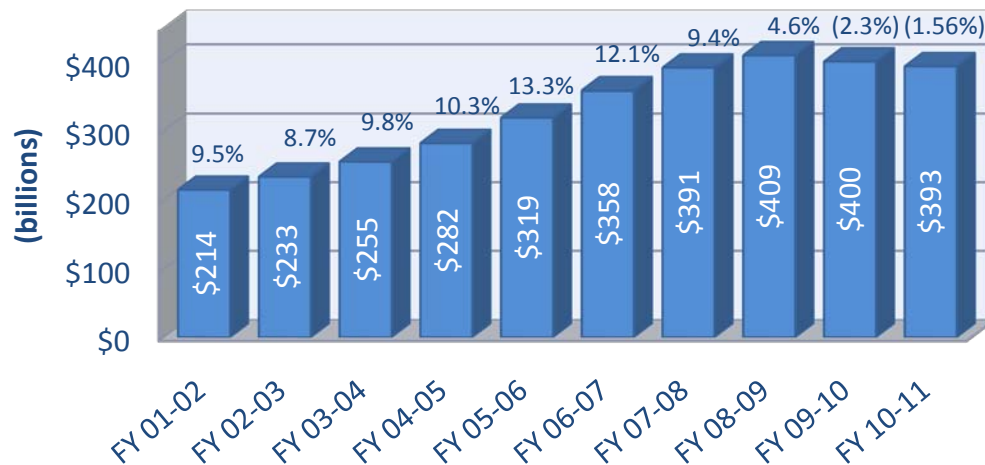
** Senate Bill 1137 passed in September 2008, requiring lenders to physically contact borrowers prior to filing a NOD impacted the number of foreclosures from March – May 2009.*



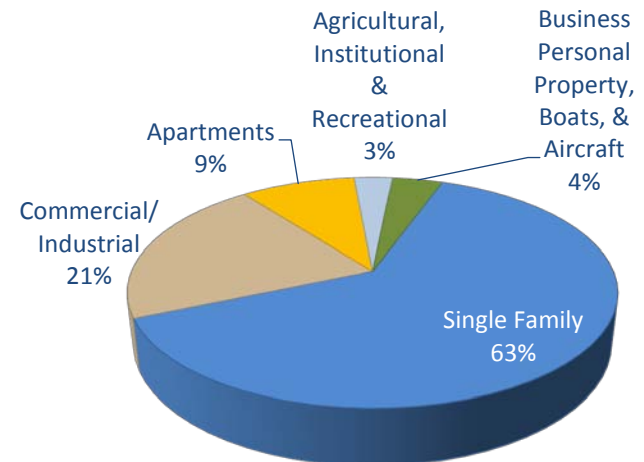
ASSESSED VALUATIONS

- Property tax base has increased 7.3% on average over the past 10 years
 - 2010-11 A.V. declined by 1.56%, which was less than anticipated
 - 2009-10 A.V. declined by 2.31%, despite double-digit decreases in housing market
- Normally, Prop 13 provides a stabilizing factor for A.V. growth:
 - Real property assessments are subject to a 2% maximum annual inflation adjustment, unless there is a change in ownership, new construction, or a temporary reduction
 - The CPI for the ensuing 2011-12 assessment roll is 0.753%

Assessed Value



2010 Distribution of Roll Values



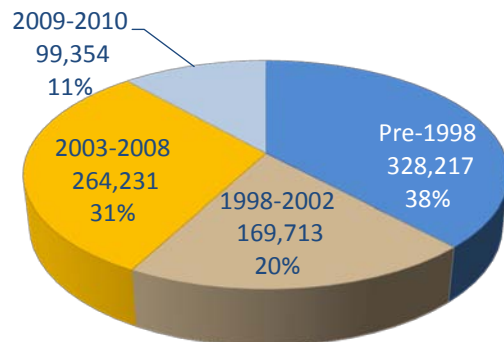


HISTORICAL ASSESSED VALUATIONS

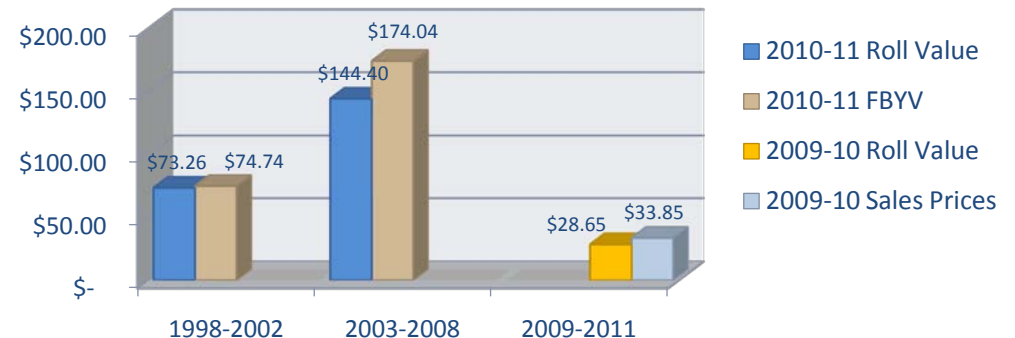
- Approximately 31% of County properties last sold in the local real estate market's peak years (2003 to 2008):
 - Approximately 72% are single family residences or condos and are likely candidates for reduction. Of these, 74% have had their A.V. temporarily reduced
- The remaining 69% of properties are not likely candidates for a downward reassessment as their base reassessment was established either very recently or prior to 2003:
 - If a property with a pre-2003 base was reassessed today, it would still reflect some appreciation since the time that the base value was established

Historic A.V. Reassessments

Base Year Value Established Upon
Last 100% Change of Ownership



2010-11 Roll Values Compared to Factored Base Year Value (FBYV) (billions)

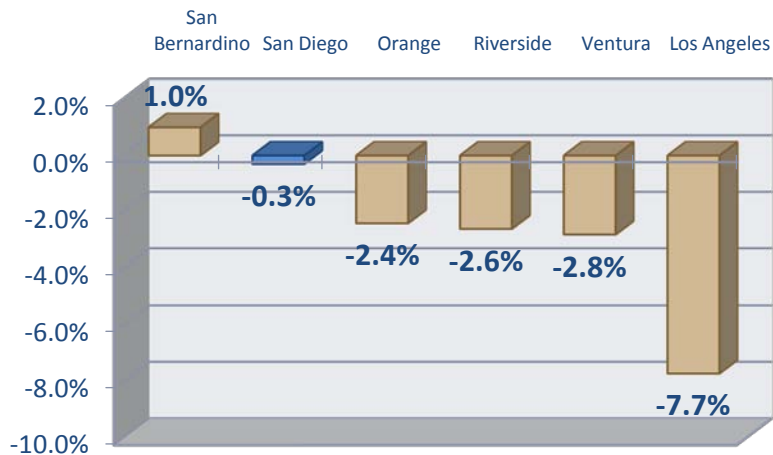




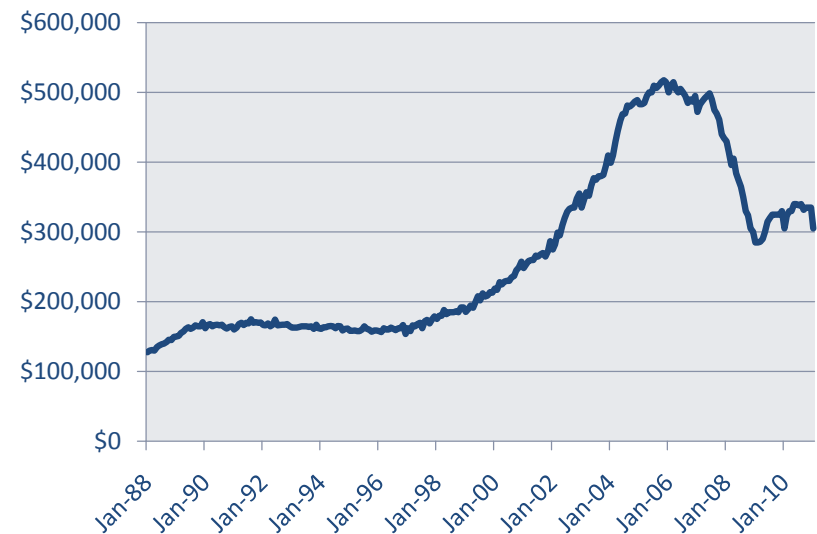
HOUSING PRICES

- Southern California median home price is stabilizing:
 - Year over year growth (January 2010 to January 2011): -0.6%
 - Year over year growth (January 2009 to January 2010): 13.0%
- San Diego housing market is stabilizing:
 - Year over year growth (January 2010 to January 2011): -0.3%
 - Year over year growth (January 2009 to January 2010): 6.8%

Median Home Price Growth by County
Year Over Year Change
January 2010 to January 2011



San Diego County Median Home Price
(1988 – January 2011)





PROPERTY ASSESSMENTS TO DATE & IN THE FUTURE

- The California CPI for the ensuing 2011-12 tax year is 0.753%
 - Last year's negative California CPI adjustment of 0.237% affected roughly 677,000 parcels, reducing them by nearly \$655 million for 2010-11
- Last year's total Assessed Value (for 2010-11) declined 1.56%
 - Reductions due to a decline in market value for 2010-11 resulted in a decrease of \$8 billion, under Prop. 8
- We believe the Prop. 8 reductions made have captured most eligible residential properties; and, that we are at the bottom of the market for entry level residential properties
- Commercial market has shown significant weakness in vacancies, sales activity and prices, and we expect office and retail properties to continue to be impacted by the current economy



ECONOMIC OVERVIEW

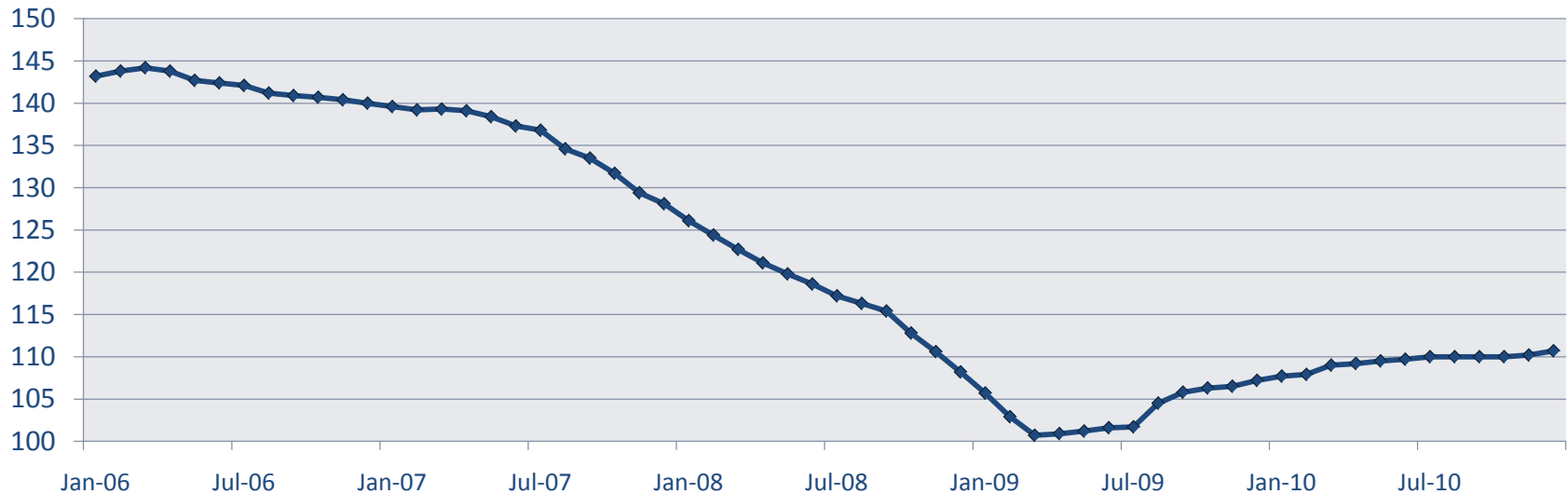




ECONOMY CONTINUES TO IMPROVE

- The University of San Diego Index of Leading Economic Indicators shows a continued improving outlook for the region based on gains in the stock prices of local companies, local consumer confidence and the national economic outlook.
- In December, sharp increases in local stock prices and the outlook for the national economy pushed the Index to a second consecutive gain after having been unchanged for three months in a row. Local economist Alan Gin expects recovery to continue for the region on solid growth in the national economy and a rebound in tourism and construction locally.

Index of Leading Economic Indicators (San Diego County)
(January 2006 – December 2010)





REGIONAL ECONOMIC HIGHLIGHTS

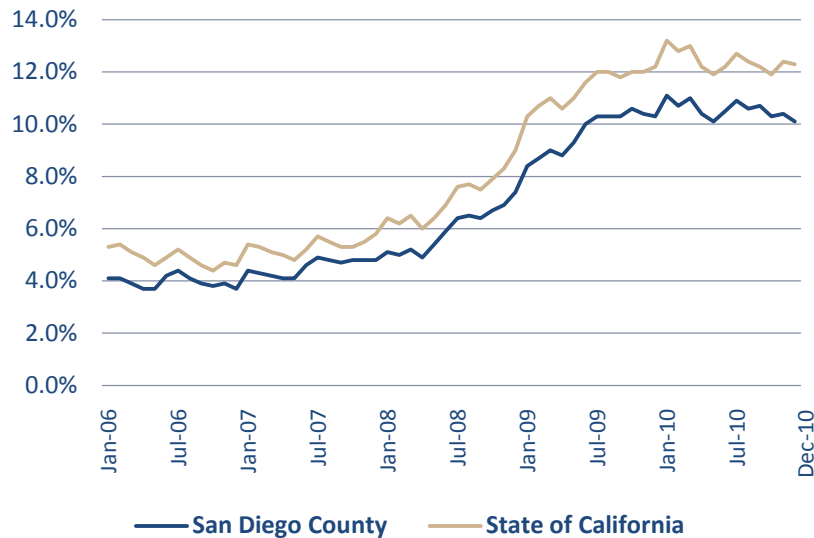
- Total visitor volume has increased 2.0% to November 2010 from November 2009, driven by solid gains in overnight visitors
- Visitor industry continues to be positive with total spending of \$6.6 billion within the County from January to November 2010
- San Diego was one of the two major metro areas showing an annual gain for 2010 in the S&P/Case Schiller Home Price Index (San Diego: +1.7%, Washington D.C. +4.1%, Nationwide -4.1%)
- Military presence continues to be a stabilizing force in the regional economy
- Biotechnology and health services continue to expand their presence in the County



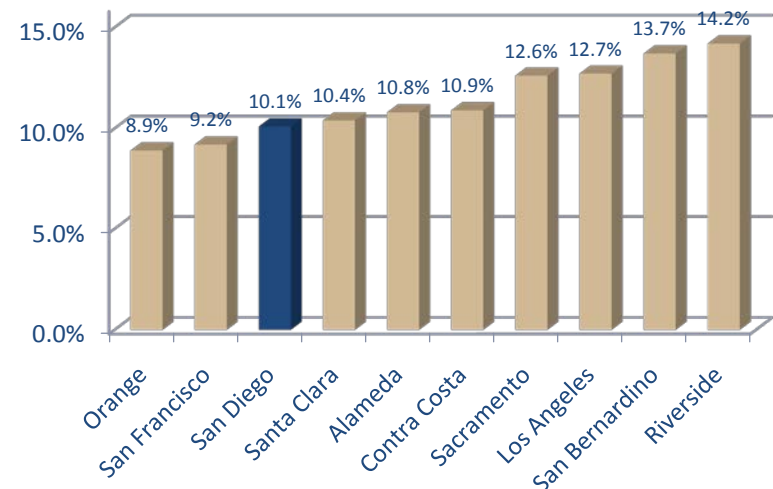
EMPLOYMENT BASE

- County's unemployment rate has been consistently lower than the State of California's
- As of December 2010, the County's unemployment rate was 10.1%, lower than the median of 10.9% for the largest 10 Counties in the State
- Forecasts indicate that the local economy will add between 10,000 and 15,000 new jobs in 2011, compared to 6,300 gained in 2010

Historic Unemployment
(January 2006 to December 2010)



Unemployment Rates of the Largest 10 Counties (December 2010)





COUNTY FINANCES





STRONG FINANCIAL MANAGEMENT

- County proactively manages its cost structure to weather current economic conditions and the State's fiscal crisis
- County does not backfill State cuts with General Purpose Revenue
- County is allocating ongoing General Purpose Revenue to support one-time capital needs
- County has low and manageable debt levels and has a practice of prepaying debt
- County adheres to a fund balance and reserves policy that will ensure fiscal health and stability



INSTITUTIONALIZED PRACTICES

County policies and County Administrative Manual formalize strong financial management culture:

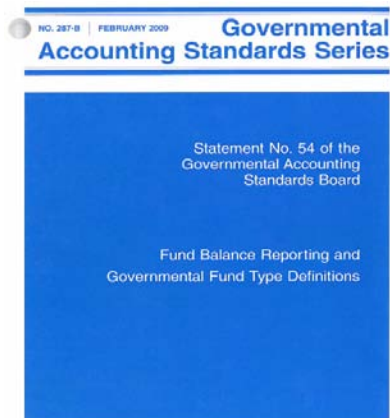
- Fund Balance and Reserves Policy
- Use of one time revenues
- Capital Facilities and Space Planning Policy, Use of Capital Program Funds Policy
- Long-term Obligation Policy, Debt Advisory Committee (DAC)
- Debt, refunding and swap policies
- Risk Overview Committee, Disclosure Controls and Procedures
- Treasury Oversight Committee, Investment Pool Management Policy, Investment Manual



GASB 54 FUND BALANCE

Pre-GASB 54 Fund Balance Components

Reserved	Not available for appropriation
Unreserved / Designated	Management's intended use of available resources
Unreserved / Undesignated	Available for appropriation; no constraints



GASB 54 Fund Balance Components

(To be implemented Fiscal Year 2010-11)

Non-Spendable	<ul style="list-style-type: none"> Not in spendable form (inventory) Cannot currently be spent (long term loans receivable) Required to remain intact (endowment)
Restricted	<ul style="list-style-type: none"> Externally constrained (creditors, grantors, laws/regulations) to be used for a specific purpose
Committed	<ul style="list-style-type: none"> Constrained by Board of Supervisors to be used for a specific purpose <ul style="list-style-type: none"> - Board action required to establish, remove or change specific use
Assigned	<ul style="list-style-type: none"> Intended to be used for specific purposes, expressed by Board of Supervisors or County Management <ul style="list-style-type: none"> - Board action not required to establish, remove or change specific use
Unassigned	<ul style="list-style-type: none"> Residual classification for the General Fund Resources available for any purpose



STRONG FUND BALANCES

Pre-GASB 54	FY 2008-09 \$ million / % of FB		FY 2009-10 \$ million / % of FB	
Total Reserved Fund Balance	\$266.4	22.4%	\$162.3	13.3%
Total Unreserved / Designated Fund Balance	347.6	29.2%	564.2	46.2%
Total Unreserved / Undesignated Fund Balance	576.0	48.4%	493.6	40.5%
TOTAL GF FUND BALANCE	\$1,190.0		\$1,220.1	

GASB 54 (To be implemented Fiscal Year 2010-11)	FY 2008-09 \$ million / % of FB		FY 2009-10 \$ million / % of FB		FY 2010-11 2 nd Qtr Projections \$ million / % of FB	
Nonspendable Fund Balance	\$12.0	1.0%	\$12.6	1.0%	12.2	1.1%
Restricted Fund Balance	232.1	19.5%	151.7	12.4%	175.3	15.8%
Committed Fund Balance	285.6	24.0%	389.4	31.9%	432.0	38.8%
Assigned Fund Balance	84.3	7.1%	72.8	6.0%	72.9	6.5%
Unassigned Fund Balance	576.0	48.4%	593.6*	48.7%	420.6*	37.8%
TOTAL GF FUND BALANCE	\$1,190.0		\$1,220.1		\$1,113.0	

* Under GASB 54, the former designation for economic uncertainty of \$100.0 million is considered Unassigned Fund Balance.



FY 2010-11 ADOPTED OPERATIONAL PLAN HIGHLIGHTS

- Adopted budget of \$4.96 billion assumes GPR increase of 0.4% and program revenue decrease of 1.4%
- Continued reduction of cost structure:
 - Reduction of 573 FTEs, following the reduction of 774 FTEs in Fiscal Year 2009-10
- Uses fund balance and designations of \$291.4 million to fund one-time projects
- Cash contributions for capital projects:
 - \$55 million for Women's Detention Facility Replacement project
 - Entirely cash funding County Operations Center Phase 1B, \$119.8 million (previously anticipated using \$53.8 million of lease revenue bonds and \$66.0 million of cash)
- Reserve target levels exceeded
- Proactive pension funding:
 - Budgeted retirement contribution \$32 million above required amount
 - Shifts GPR allocations of \$15.4 million from four of the five business groups to the Pension Stabilization Fund to prepare for future increases in retirement contributions



FY 2010-11 2ND QUARTER GENERAL FUND UNASSIGNED FUND BALANCE PROJECTION

	(in millions)
Unassigned Fund Balance as of June 30, 2010	\$593.6*
Less Amount used in FY 2010-11 Budget for One-Time Expenses	(286.8)
Less Subsequent Uses Approved by Board of Supervisors	(9.1)
Total Available Unassigned Fund Balance	\$297.8
2nd Quarter Projection of FY 2010-11 Budgetary Fund Balance	\$122.8
Total Projected Unassigned Fund Balance at June 30, 2011	\$420.6

* Under GASB 54, the former designation for economic uncertainty of \$100.0 million is considered Unassigned Fund Balance.

Fund Balance uses during FY 2010-11:

- County Operations Center Phase 1B
- Management and Contingency Reserves
- Integrated Property Tax System



CONSERVATIVE BUDGETING & STRONG FINANCIAL PERFORMANCE

The County budgets conservatively, consistently generating a net operating surplus

(in millions)	FY 2007-08	FY 2008-09	FY 2009-10 ⁽²⁾	FY 2010-11 2 nd Quarter ⁽²⁾
Projected Year End Unassigned Fund Balance ⁽¹⁾	\$509.3	\$474.6	\$528.3	\$420.6
Actual Year-End Unassigned Fund Balance	571.4	576.0	593.6	TBD
Difference	\$62.1	\$101.4	\$65.3	TBD

(1) Projected net savings as of 3rd quarter for all years except FY 2010-11, for which projections are as of 2nd quarter

(2) Under GASB 54, the former designation for economic uncertainty of \$100.0 million is considered unassigned fund balance



POTENTIAL STATE IMPACTS

- Program realignment:
 - Primarily Public Safety and Health and Human Services
- Reliant on voter-approved tax extensions:
 - Pivotal to continued funding of public safety programs
- Elimination of redevelopment districts
- Program reductions:
 - CAL FIRE staffing
 - CalWORKS benefits
- Suspension of reimbursements for mandates



LOOKING AHEAD

- Continue to monitor short- and long-term challenges:
 - Property tax base
 - Retirement costs
 - State budget issues
 - Sales tax / vehicle license fees
- Strategies to match expenditures to revenues:
 - Match program revenue-based services to available revenue
 - Pension Stabilization Fund
 - Careful consideration of salary and benefit structure
 - Full cost recovery (Board Policy B-29)
 - Re-examine capital program
 - C.O.R.E. (Consolidate Outsource Re-engineer Eliminate)



COUNTY INVESTMENT POOL





INVESTMENT POOL: STRENGTH, STABILITY & LIQUIDITY

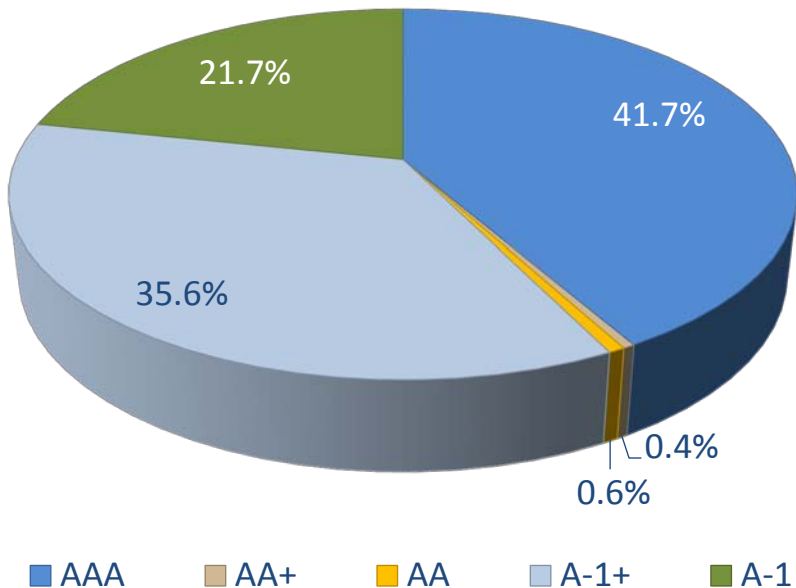
- Pool Characteristics and Composition:
 - Track record of highest credit quality for Pool and securities held
 - Conservative investment approach ensures a liquid portfolio of highly rated investments
- Pool confidence resulted in a record high balance of \$6.7 Billion as of December 2010
- Diversification of security types, issuers, and Pool participants reduces Pool's risk exposure
- A disciplined approach resulted in successful Pool management during the recent crises
- Increase in voluntary participation:
 - City of Del Mar recently authorized joining the Pool
 - SD Regional Airport Authority added an additional \$320 million to the Pool in 2010



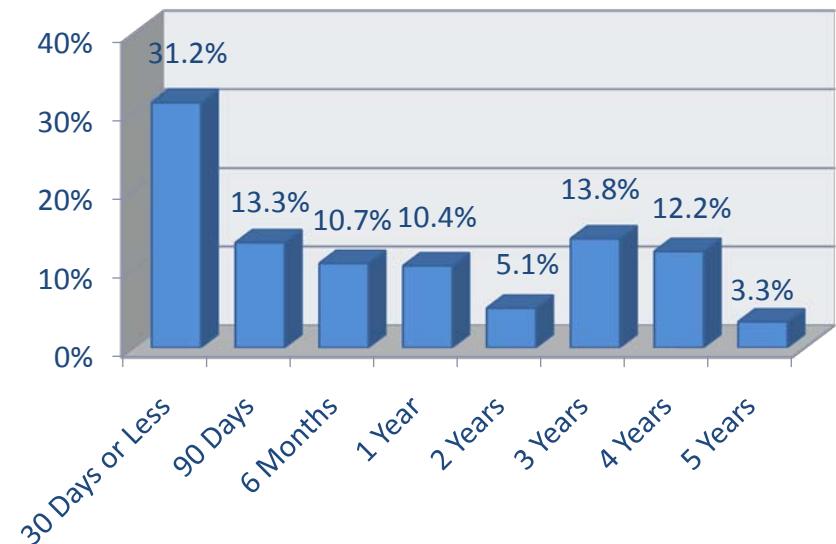
POOL CHARACTERISTICS & COMPOSITION

- The Pool has received the highest credit rating over the past ten years. Accordingly, the Pool's investments are highly rated
- The Pool has excellent liquidity with 65.6% of the investments maturing in one year or less

San Diego Pooled Money Fund
(February 28, 2011)



Maturity Distribution
(February 28, 2011)





POOL CONFIDENCE REMAINS HIGH

Pool balance and voluntary participation continues to grow

Highest Balance from 2001 - 2010 (Billions)

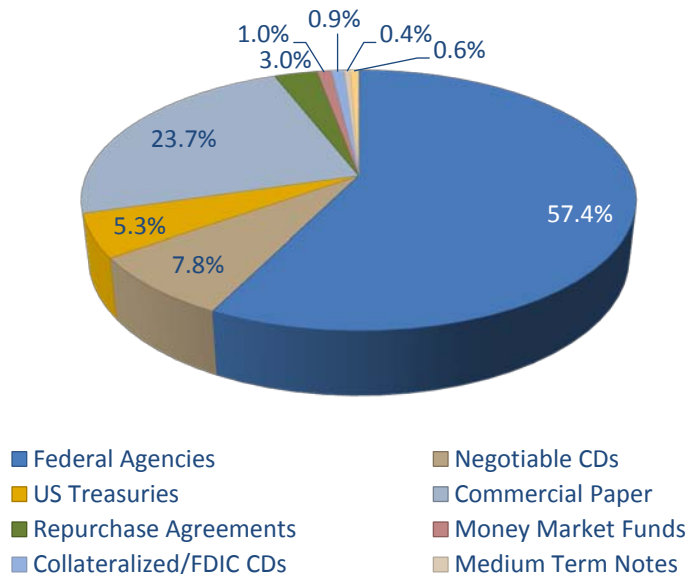




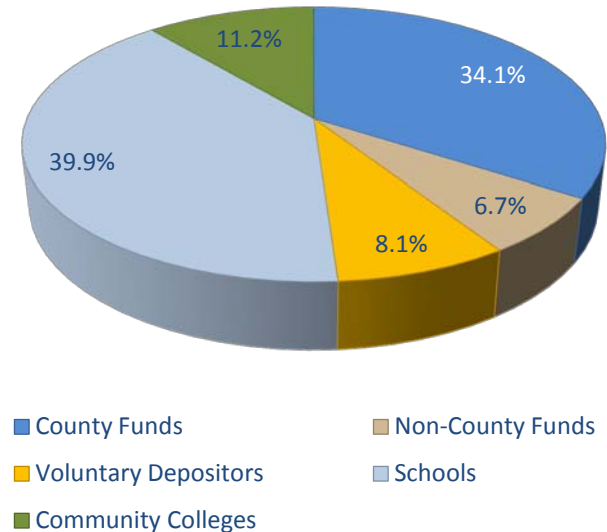
DIVERSIFICATION LOWERS POOL'S RISK

- The Pool is diversified by security type, issuers, and participants
- The Pool's diversification reduces exposure to credit risk and impact of unexpected withdrawals

Breakdown of Securities
(February 28, 2011)



Breakdown of Participants
(February 28, 2011)





COUNTY RETIREMENT SYSTEM





RETIREMENT SYSTEM UPDATE

- In June 2010, the SDCERA Board adopted recommendations to change demographic and economic assumptions. The new assumptions were used by the actuary to prepare the annual valuation report for the year ended June 30, 2010:
 - New demographic assumptions anticipated to increase aggregate contribution rate by less than 1%
 - New economic assumptions (including 8% assumed rate of return) may increase aggregate contribution rate by approximately 3%
 - Actuarial gains during fiscal year 2009-10 may help mitigate the impact of new assumptions
- For Fiscal Year 2010-11, County Board of Supervisors directed that budgeted employer retirement contribution rates exceed those recommended by the actuary, resulting in \$262 million in budgeted contributions, which is \$32 million over the estimated ARC
- Estimated total market value of assets:
 - \$6.9 billion as of June 30, 2010, a 13% increase from June 30, 2009
 - \$7.8 billion as of January 31, 2011, a 14% increase from June 30, 2010



SDCERA FUNDING STATUS

Historical & Projected Funding Status (millions)

Fiscal Year	Employer Contributions	UAAL	Funded Ratio
2006-07	\$258	\$832	89.7%
2007-08	236	485	94.4
2008-09	220	786	91.5
2009-10	190	1,566	84.3
2010-11*	224	2,292	78.5
2011-12*	296	3,028	73.2
2012-13*	372	3,661	69.5
2013-14*	441	3,606	71.7
2014-15*	504	3,599	73.4
2015-16*	519	3,531	75.3
2016-17*	541	3,440	77.3

* Assumes for the year ending June 30, 2011 and each year thereafter, the Association would earn a market return of 8.00%; Based on November 10, 2010 letter from Segal, except for Fiscal Years 2010-11 and 2011-12, which are based on June 30, 2010 valuation

Source: The Segal Company, Association Actuary



POLICY OBJECTIVES FOR RETIREMENT SYSTEM

- Ensure that County retirement system is appropriately funded:
 - Fiscal year 2010-11 Adopted Operational Plan appropriates \$15.4 million of GPR for pension stabilization
 - County regularly contributes over and above actuarial requirement:
 - \$32 million over and above the ARC in fiscal year 2010-11
 - \$91.8 million over and above the ARC between fiscal years 2004-05 and 2006-07
- Pay full annual retirement contribution as calculated by the SDCERA actuary
- Maintain strong, proactive relationship with SDCERA
- Pay annual required contribution for Other Post Employment Benefits (OPEB) as determined by SDCERA actuary
- Manage cost with an eye to the future:
 - New Tier B for safety and general retirees, effective August 2009
 - Negotiations regarding employer offset
 - Rates over and above actuarial requirement



2011 COPS (MTS TOWER REFUNDING) & COUNTY DEBT PROFILE





2011 REFUNDING CERTIFICATES OF PARTICIPATION (COPS)

Estimated Par:	<ul style="list-style-type: none">▪ \$20.0 million
Coupon Structure:	<ul style="list-style-type: none">▪ 100% fixed rate
Annual Lease Payment:	<ul style="list-style-type: none">▪ Made by July 5th of each fiscal year (for upcoming November 1 and May 1 debt service payments)
Final Maturity:	<ul style="list-style-type: none">▪ November 1, 2019▪ Same as refunded COPS
Reserve Fund:	<ul style="list-style-type: none">▪ Equal to 50% of Maximum Annual Debt Service▪ Reserve Fund sufficient to fund final principal and interest payments due in 2019



SOURCES & USES*

Sources of Funds

Par amount of COPs	\$19,705,000.00
Reoffering Premium	748,426.85
Transfers from Prior Debt Service Funds	886,584.58
Transfers from Prior Issue Reserve Fund	3,129,746.26
Total Sources	\$24,469,757.68

Uses of Funds

Deposit to Current Refunding Fund	\$22,761,571.74
Deposit to Reserve Fund	1,357,250.00
Total Underwriter's Discount (0.500%)	98,525.00
Costs of Issuance	250,000.00
Rounding Amount	2,410.94
Total Uses	\$24,469,757.68

* Preliminary, subject to change



ANNUAL BASE RENTAL PAYMENT COMPARISON*

Date	Total P+I	DSR	Net New D/S	Old Net D/S	Savings
11/01/2011	2,632,544.44	(6,936.69)	2,625,607.75	3,034,448.80	408,841.05
11/01/2012	2,705,100.00	(13,572.50)	2,691,527.50	3,107,198.80	415,671.30
11/01/2013	2,662,300.00	(13,572.50)	2,648,727.50	3,066,161.30	417,433.80
11/01/2014	2,714,500.00	(13,572.50)	2,700,927.50	3,116,448.80	415,521.30
11/01/2015	2,647,450.00	(13,572.50)	2,633,877.50	3,053,073.80	419,196.30
11/01/2016	2,680,400.00	(13,572.50)	2,666,827.50	3,086,548.80	419,721.30
11/01/2017	2,692,000.00	(13,572.50)	2,678,427.50	3,096,623.80	418,196.30
11/01/2018	2,699,400.00	(13,572.50)	2,685,827.50	3,101,733.80	415,906.30
11/01/2019	1,367,600.00	(1,370,822.50)	(3,222.50)	(24,593.71)	(21,371.21)
Total	\$22,801,294.44	(1,472,766.69)	\$21,328,527.75	\$24,637,644.19	\$3,309,116.44

Note: Negative savings in 2019 are a result of the reduced Reserve Requirement when compared to that of the 2001 COPs

Net Present Value Benefit

\$2,076,826 through final maturity

9.39% of refunded COPs

* Preliminary, subject to change, assumes March 16, 2011 interest rates

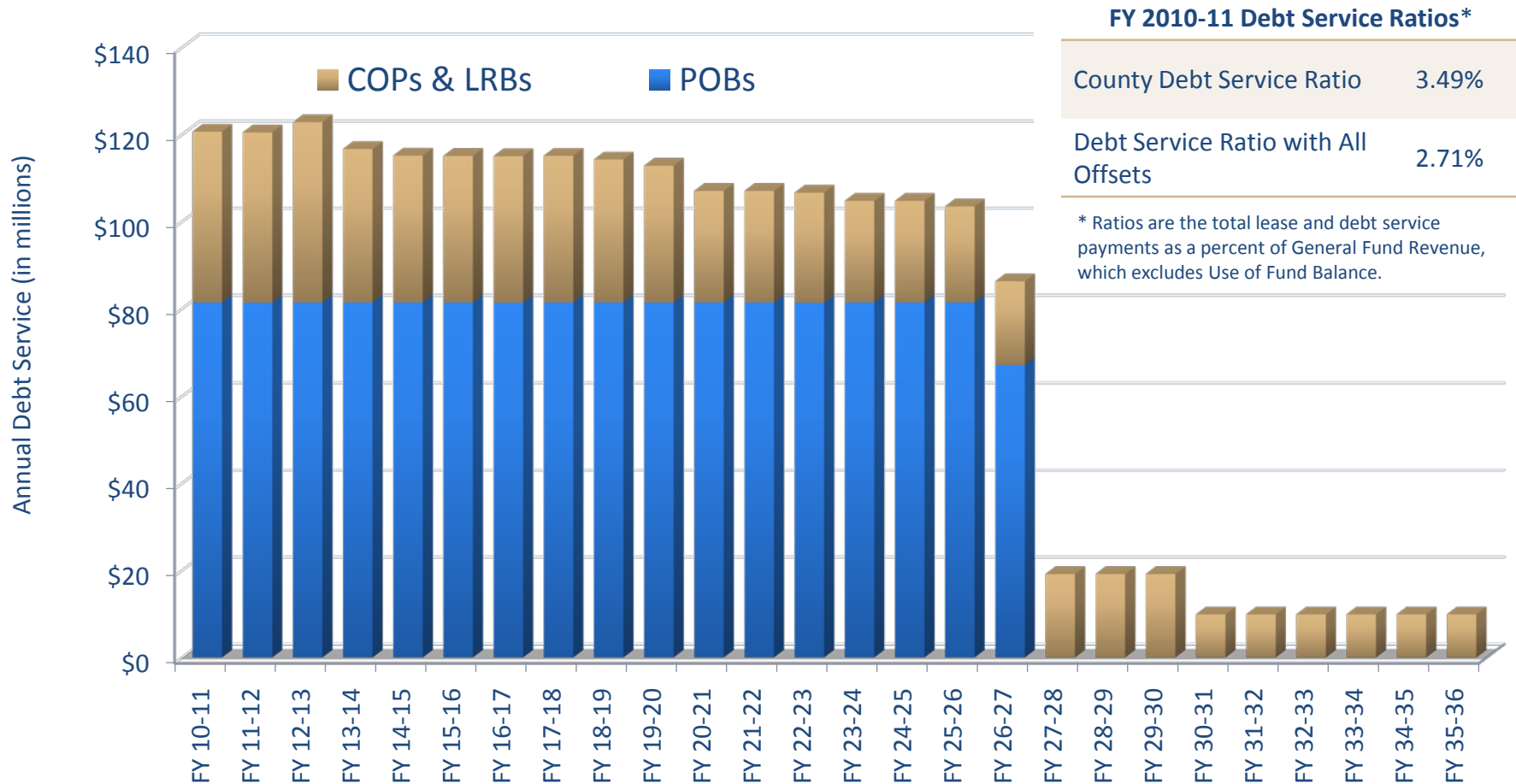


LEASED ASSET

- MTS Tower:
 - 10 story Mills Building provides 180,000 square feet of office space for County of San Diego and Metropolitan Transit System
 - County services housed at the Mills Building include Strategic Planning and operational support for the Health and Human Services Agency
 - Provides office space for approximately 550 County employees
- 1,000-space parking garage
- Light rail trolley station
- 225 foot tall clock tower
- Related easement for utilities



GENERAL FUND LONG-TERM OBLIGATIONS



* Annual Debt Service is prior to proposed refunding.



FINANCING SCHEDULE

Date	Activity
March 24	▪ MTS Board of Directors approves financing
April 5	▪ County Board of Supervisors approves financing
April 7	▪ San Diego Regional Building Authority approves financing
April 14	▪ Receive ratings ▪ Post Preliminary Official Statement
Week of April 18	▪ Pricing
May 3	▪ Close ▪ Call Notice sent to DTC
June 7	▪ Redeem 2001 COPs

* Preliminary, subject to change



CAPITAL AND FINANCING OUTLOOK

May

- Capital Improvements Needs Assessment (CINA) approved for Fiscal Year 2011-12
- TRANs financing:
 - Meetings week of May 16, 2011

June

- CAC Waterfront Park financing:
 - Conference calls week of June 13, 2011



CLOSING REMARKS





CONCLUSION

- County has maintained fiscal stability in challenging economic and market conditions
- County is well-positioned to manage the challenges at hand, including the slow economic recovery, impact of State budgetary actions, and changing needs of our residents:
 - County Board maintains its position of making necessary budget cuts given the economic situation
 - County Board is proactively managing its cost structure in the near-term and for the long-term, maintaining a balanced Operational Plan
- County has institutionalized and maintained conservative and prudent fiscal management practices:
 - Consistently strong fund balances and stable reserves
 - On-going assessment of current and future capital needs
 - Formal debt and investment policies
- County operates within a diversified, recovering economy